

USAID/Guinea

Annual Report

FY 2004

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Guinea

Performance:

Background: Since the fall of Sekou Toure's socialist regime in 1984, Guinea has made only minimal progress in instituting the fundamental reforms needed to boost the economy, expand social services, and maintain steady inflows of donor resources. Moreover, political will to continue reforms has severely diminished in recent years, and Guinea continues to rank among the poorest countries in the world. In the United Nation's Human Development Report 2003, Guinea is ranked 157 out of 175 countries, and its per capita gross domestic product is estimated at a mere \$390. Guinea's human development index value of 0.425 is scarcely above that of Sierra Leone, rated last with an index of 0.275. Life expectancy is 48.5 years, and only 38% of the adult population is literate (15% female). The infant mortality rate is 169 per 1,000, maternal mortality is 528 per 100,000 live births, and HIV rates as high as 7% in urban areas of the Forest Region of Guinea, help explain why the quality of life for the average Guinean is considered among the lowest in the world.

The Government of Guinea (GOG) is currently mobilizing close to 12% of its GDP in fiscal revenues, much lower than its potential (estimated at 20%), and the national economy is still relatively undiversified and relies mainly on bauxite exports for revenue and critical foreign exchange. Although a certain level of political will to invest in the people of Guinea continues to exist in some of the social sector ministries, Guinea's rampant corruption, lax fiscal management and significant external debts leave few resources available to invest in education, health, agriculture and other priority sectors. All combined, Guinea has become increasingly dependent on donor resources, with an estimated 31% of the GOG annual budget being met by donor funds.

Although the economy of Guinea has experienced an average GDP growth of about 4% per year during the past decade, this growth has not been shared and the percentage of the population living in poverty (60%) has not declined over the same period. Guinea possesses great potential for economic growth due to an abundance of natural resources, its excellent conditions for agriculture, and its strategic location that favors trade. Unfortunately, corruption and favoritism, unstable borders, questionable political stability, and lack of control and transparency in managing budget resources continue to hamper development progress and severely discourage needed foreign and domestic investment in Guinea. Development assistance alone is clearly not enough to move the country forward-the GOG needs to play an increasingly proactive and committed role in ruling justly, promoting economic freedom, and in investing in its people.

The way in which government has constricted political freedom in recent years and has mishandled the provision of basic services and the economy is resulting in widespread public resentment. The 2001 constitutional amendment removing the two-term limit for the presidency enabled President Conte to run again in the upcoming December 2003 elections, and empowered the government to appoint local officials rather than having them voted into office. Parliamentary elections were held in June 2002, two years behind schedule, and were denounced by the opposition parties as rigged. Nonetheless, the results were upheld and the ruling party, headed by the President, returned to power with an increased party majority (75%) in parliament. Guinea, once the bastion of stability in a highly volatile region, is straining under political pressure, and the GOG's poor democratic conduct may lead the country into chaos.

U.S. Interests and Goals: U.S. strategic interests in Guinea are strong and multi-faceted. Guinea is a moderate Muslim country that currently holds a non-permanent seat on the U.N. Security Council and maintains a moderate, secular orientation in its foreign policy. Guinea is bordered by six countries, of which four (Ivory Coast, Sierra Leone, Guinea-Bissau and Liberia) have had serious levels of instability or

conflict over the past several years. Keeping Guinea stable is important to resolving conflicts in this volatile region, and to preventing conditions that could become a security threat to the U.S. A stable Guinea will also avert the need for future U.S. investments along the magnitude of Sierra Leone and Liberia.

The United States' policy priorities in Guinea focus on economic growth, good governance, and slowing the spread of HIV/AIDS. As poverty is recognized as an important threat to democracy, and is an underlying factor leading to conflict and even terrorism, improved economic growth will allow Guinea to move the country toward a more prosperous, democratic society and play an increasingly effective role in regional integration. USAID encourages economic growth through programs in agriculture and natural resources management, health, and basic education. The goal of promoting democracy and good governance, and combating corruption will enable Guinea to improve progress towards sustainable economic and social development. USAID contributes to this goal through a program that empowers citizens with knowledge of democratic principles and the rule of law in order to serve as a counterforce and promote positive political change. Confronted by some of the worst health indicators in the world, Guinea faces a generalized AIDS pandemic which threatens to undermine the most productive members of Guinean society, including those essential to the country's development and security. Improving the health of Guineans and slowing the spread of HIV/AIDS also helps to mitigate human suffering and promotes State security. USAID supports this U.S. priority through HIV/AIDS awareness, behavior change, voluntary counseling and testing (VCT), and increased use of essential health products, practices and services.

Donor Relations: Bilateral donor assistance to Guinea averages over \$100 million per year, and relations among donors remains strong. In addition to the U.S., France remains among the largest bilateral donor in Guinea and focuses primarily on rural development and infrastructure, natural resources management, fisheries development and education. Japan makes contributions primarily in health and basic education. Canada and Germany also play prominent roles in Guinea, mainly in the health, education, and agriculture sectors. Multilateral donors include the United Nations agencies, the European Union, the Bretton Woods institutions, the African Development Bank, and the Islamic Development Bank. The World Bank concentrates on capacity building, urban infrastructure, education, HIV/AIDS, rural electrification, and water. Support to Guinea's macro program is a joint effort from the IMF, World Bank, European Union and the African Development Bank. USAID remains one of the leaders among the donor community in the fight against HIV/AIDS in Guinea. Over 40 partners, including USAID, are active members of the Global Fund for AIDS, TB and Malaria Country Coordinating Mechanism. USAID has also worked closely with UNFPA and KfW in assuring country-wide coverage for the provision of contraceptive commodities including condoms in the public and social marketing sectors. As one of the largest bilateral donors contributing to primary education under Guinea's "Education for All" program, USAID is the recognized leader among donors in the area of education quality and has been asked to lead coordinated efforts in this area.

Challenges: For the past several years Guinea's development progress has been disrupted by neighboring conflicts, an influx of refugees, and diverted budget resources that have severely reduced investments in social services. These challenges, however, have become secondary to the country's deteriorating political situation and lack of government commitment to implement meaningful reform to improve the living conditions and economic well-being of Guineans. Political parties remain weak, shaped by personalities rather than ideology, while political authority remains primarily within the presidency, the military, and the informal networks that benefit from the two. As the president's health deteriorated sharply, Government decision-making slowed dramatically during FY 2003. With the presidential election scheduled in December 2003, the president's control over the state has tightened, and has sidelined policy issues that are not considered election-related. Events surrounding the upcoming presidential election may prove to be a catalyst-either to slide Guinea into a more oppressive society or even toward the chaos that so many of its neighbors have witnessed, or to provide Guineans with the opportunity to move toward a real democracy. Guinea thus finds itself in the midst of a transitional period during which USAID and the international community will be monitoring and reassessing programs based on political outcomes and new windows of opportunities.

In early FY 2003, the GOG's lax management of budget and fiscal resources led to the suspension of the IMF's Poverty Reduction and Growth Facility (PRGF) and the recommendation of a staff-monitored program (which was never adopted). Suspension of the PRGF may result in the postponement of payments from the heavily indebted poor countries (HIPC) debt-relief initiative and delay or hinder full implementation of Guinea's Poverty Reduction Strategy Paper (PRSP). This further aggravates a bleak economic and political forecast for FY 2004 and beyond.

Coupled with Guinea's development needs and challenges, the deteriorating economic and political environment has produced further disenfranchisement of its population and their ability to play a meaningful role in the affairs of their daily lives. To address these challenges, USAID's programs in Guinea remain as pertinent and focused as before. Resources are targeted in four key sectors through an integrated program that combines natural resources management and agriculture, health, education and democracy and governance, with the goal of improving the social and economic well-being of all Guineans in a participatory society. The community-level focus of USAID interventions are helping those citizens who are most responsive, where needs are greatest, and impacts are most immediately felt. The strengthening of citizens' and civil society organizations' (CSO) capacity to demand accountability and transparency from local government services is driving change at the local level which facilitates change at higher levels.

Key Achievements: In spite of the challenging political environment, the USAID program in Guinea achieved good results during FY 2003. The Mission's Country Strategic Plan is now in its sixth year of implementation and has built effectively upon past lessons learned. USAID has become increasingly involved in HIV/AIDS prevention and awareness, other health programs, agriculture and economic growth, poverty reduction, adult literacy, and NGO capacity building.

1. **Sustainable Natural Resources Management:** Under this SO, USAID supports activities that extend improved natural resources management practices and economic development opportunities to rural communities, CSOs, and farmers. In 2003, USAID supported the GOG in decentralizing control of two state-owned forest reserves totaling 35,940 hectares. Plans for two additional forests totaling over 12,900 hectares are in development. Overall, USAID has assisted Guinea in preserving 87,374 hectares of forest reserves, and has empowered local communities to sustainably manage and prevent the unlawful exploitation of these reserves. These forests are important watersheds for three major West African rivers and serve over ten countries in the sub-region. Since agriculture employs over 80% of the nation's workforce, USAID/Guinea is also encouraging economic growth through agriculture and micro-enterprise development. In FY 2003, over 25,000 farmers were provided technical assistance and support to improve their agricultural production. Approximately 976 new micro- and small enterprises were created, and a total of 25,905 loans for a total disbursement of \$4,575,975 were made to establish or expand small and micro-enterprises.

2. **Family Health and HIV/AIDS:** Under the Health SO, USAID seeks to stem the spread of HIV/AIDS, promote child and maternal health, and improve access to family planning. Immunization rates for two key indicators, measles and DPT3, surpassed expectations with coverage rates of 72.1% and 64.9% respectively. Contraceptive prevalence rates also rose in USAID intervention zones from 2.9% in 1999 to 6.9% in 2003, with some areas reaching 20%. As USAID implements its new HIV/AIDS strategy, more men are reporting condom use with non-regular sex partners (57.8% in 2003 versus 0% in 1999). 42 HIV/AIDS counselors were trained under our program during FY 2003-the first such program in Guinea-and other donors are now using USAID-trained counselors in VCT sites throughout the country. The Mission has involved all USAID partners across all sectors in the fight against HIV/AIDS, and significantly increased the population reached with educational messages and training.

3. **Basic Education:** Guinea's education sector, in particular basic education, continues to be one of the social-services sectors that makes significant progress. USAID supports this sector through programs that expand access to quality basic education. In FY 2003, USAID/Guinea implemented activities under the President's African Education Initiative (AEI) which resulted in an innovative partnership with two U.S. historically black colleges to develop and distribute 500,000 Grade 1 and 2 Language Arts textbooks, enough to cover almost every student in these two grades. Education quality improved over FY 2003 as

USAID's multi-channel approach to teacher training-which incorporates radio instruction, in-service training and creative, low-cost pedagogical materials-strengthened the skills of every single primary school teacher in Guinea. Specifically, in-service teacher training during FY 2003 targeted over 23,000 teachers who received an average of 64 hours of instruction. Intense training programs for over 700 Parent Teachers Associations have allowed Guinean communities to provide greater oversight and support to local schools through village-led school improvement projects.

4. Democracy and Good Governance: During FY 2003, over 200,000 people nationwide were reached through a unique CSO-led and implemented civic education program. Improved accountability and management capacity of local officials led to increased citizen trust, resulting in declines in tax evasion: payment of local taxes in target communities rose from 64% to 80% as citizens saw larger percentages of their tax revenues re-invested in their communities to address local demands for construction and maintenance of schools, roads and clinics. Through work with political parties USAID has succeeded in increasing the level of participation of women and youth in the internal decision-making processes of Guinea's five major political parties.

5. Facilitating Post-Conflict Transition Special Objective (SpO): The SpO officially began implementation towards the end of FY 2003 and the program is on track to enhance the income-generating capacity of over 3,000 Guinea's displaced by the border conflict, and improve over 100 selected schools, hospitals and rural clinics.

Gender: USAID/Guinea addresses gender issues and integrates gender concerns throughout each of its Strategic Objectives. Major areas of focus include: girls' education, women's participation in civil society and politics; family planning, HIV/AIDS and maternal and child health programs; and adult literacy programs.

Public-Private Alliances: During 2003, a public-private alliance totaling \$1,250,000 was developed to increase cashew production and transformation, with implementation set to begin by the end of CY 2003. In addition to its current partners, the Mission is pursuing a relationship with a U.S. company that is one of the global leaders in branded foods and has shown strong interest in joining this alliance. Rio Tinto, a multinational mining concern interested in extracting iron ore in Guinea's Forest Region, is currently pursuing USAID and Conservation International about forming a public-private alliance to promote community development and conservation of sensitive natural resources adjacent to their proposed mining area. This alliance, currently envisioned at a total of \$1.8 million, will leverage over \$920,000 in partner resources.

Trade Capacity Building: The public-private alliance to increase cashew production and transformation will contribute to build trade capacity by helping improve the quality and competitiveness of Guinean products on international and regional markets. USAID will conduct an agriculture sector assessment in late CY 2003 in which opportunities to expand trade capacity in Guinea will be identified.

Country Close and Graduation:

Not applicable.

Results Framework

675-001 Increased use of sustainable natural resource management practices

SO Level Indicator(s):

Area of forests and plantations of forest and fruit trees in the activity zone for which a sustainable management plan has been completed

Area of land under sustainable agricultural practices in the zone of activity

IR 1.1 Natural resource management skills acquired and applied by community-based organizations

IR 1.2 Farm productivity increased

IR 1.3 Micro- and small enterprise activities increased

IR 1.4 Favorable policy environment established

675-002 Increased use of essential Family Planning, Maternal and Child Health, and STI/HIV/AIDS services, products, and practices

SO Level Indicator(s):

Couple years of protection (CYP) in intervention zone

Measles vaccine coverage in intervention zone

Modern contraceptive prevalence rate (CPR) in intervention zone

Percentage of births that benefited from at least three prenatal care visits in intervention zone

Percentage of men that report using a condom with non-regular sexual partner in intervention zone

IR 2.1 Increased access to essential FP, MCH and STI/HIV/AIDS-prevention services and practices

IR 2.2 Improved quality of FP, MCH and STI/AIDS prevention services, products, and practices

IR 2.3 Increased behavior change and demand for FP, MCH and STI/HIV/AIDS preventions services, products, and practices

IR 2.4 Increased effective response among donors, GOG, community organizations, NGOs, and the private sector in addressing critical health systems constraints

675-003 Quality basic education provided to a larger percentage of Guinean children, with emphasis on girls and rural children

SO Level Indicator(s):

Gross enrollment rate (GER) of students promoted to grade six

Gross grade one admission rate

Percentage of primary schools (public and private) that meet three key "fundamental quality and equity levels" quality standards

Primary school gross enrollment rate (GER)

IR 3.1 Improved sectoral strategic planning, management and decision-making in basic education

IR 3.2 Improved instruction in basic education

IR 3.3 Improved community participation in basic education

IR 3.4 Improved regional and gender equity in basic education

675-004 Improved local and national governance through active citizen participation

SO Level Indicator(s):

Number of civil society organizations using acquired skills to advocate with National Assembly and Administration on issues of national concern

Number of concrete actions taken by community members and civil society organizations as a result of a participatory decision making process

Qualitative assessment of progress in coordinating efforts to conduct free and fair elections

IR 4.1 Effective citizen participation in local governance

IR 4.2 More responsive political processes

IR 4.3 Increased articulation of citizen interests by target civil society organizations

675-005 Facilitating post-conflict transition in targeted prefectures of forest region of Guinea

SO Level Indicator(s):

Income generating capacity increased for targeted beneficiaries

Selected key social infrastructure rehabilitated and/or improved
IR 5.1 Livelihoods re-established in targeted prefectures
IR 5.2 Key social services re-established in targeted prefectures
IR 5.3 Promote sustainable peace in targeted prefectures